

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BEHRINGER HARVARD OPPORTUNITY
REIT I SERVICES HOLDINGS, LLC

Plaintiff,

v.

LSG-BH I ACQUISITIONS LLC

Defendant.

Civil Action No. _____

PLAINTIFF’S ORIGINAL COMPLAINT

Plaintiff Behringer Harvard Opportunity REIT I Services Holdings, LLC (“Behringer”) asserts this original complaint against Defendant LSG-BH I Acquisitions LLC (“Lightstone”), and respectfully shows the Court the following:

I. INTRODUCTION

1. On February 10, 2017 (the “Closing Date”), Behringer and Lightstone entered into the Coordination and Transfer Agreement (the “Agreement”) where Lightstone replaced Behringer as the manager and advisor to a real estate investment trust. Per the Agreement, Lightstone made an initial payment on the Closing Date and agreed to pay an additional \$500,000 eighteen months later on August 10, 2018. Lightstone failed to make the additional payment, and Behringer brings suit to enforce the Agreement and recover the \$500,000 plus costs, attorney’s fees, and interest.

II. THE PARTIES

2. Behringer is a Texas limited liability company with its principal place of business located at 14675 Dallas Parkway, Suite 600, Dallas, Texas 75254. Behringer’s sole member is

Stratera Holdings, LLC, whose members in turn are citizens of Texas, California, and Illinois. Behringer is therefore a citizen of Texas, California, and Illinois.

3. Lightstone is a Delaware limited liability company with its principal place of business located at 1985 Cedar Bridge Avenue, Suite 1, Lakewood, New Jersey 08701. On information and belief, none of Lightstone's ultimate members are citizens of Texas, California, and Illinois. Lightstone may be served with process by mail at the above address, per Section 7.10(b) of the Agreement.

III. JURISDICTION & VENUE

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(a), by virtue of the diversity of citizenship of the parties and because the matter in controversy exceeds the sum of \$75,000.00, exclusive of interest and costs.

5. Venue is proper in this Court under the Agreement's forum selection clause in Section 7.10(b) where the litigants agreed that they must bring any federal action arising out of or based on the Agreement in the Southern District of New York.

IV. FACTS

6. On February 10, 2017, Behringer and Lightstone entered into the Agreement.

7. Under the Agreement, Behringer agreed to end its management and advisory agreements with Behringer Harvard Opportunity REIT 1, Inc. (the "REIT"), so that Lightstone could enter into new management and advisory agreements with the REIT. Behringer also agreed to transfer 1,000 shares of convertible stock in the REIT to Lightstone.

8. Lightstone in turn agreed to pay Behringer an initial payment on the Closing Date, plus an additional \$500,000 payment on the eighteen-month anniversary of the Closing Date—August 10, 2018 (the "REIT Additional Consideration"). The Agreement contemplated that the

REIT Additional Consideration could be adjusted downward if certain conditions were met, which on information and belief did not occur.

9. Behringer ended its management and advisory agreements with the REIT and transferred the stock to Lightstone.

10. Lightstone, however, has failed to pay the REIT Additional Consideration.

V. COUNT 1: BREACH OF CONTRACT

11. Behringer repeats and re-alleges each allegation contained in paragraphs 1 through 10 above as if fully set forth herein.

12. Behringer and Lightstone entered into the valid and enforceable Agreement.

13. Behringer performed its obligations under the Agreement.

14. Lightstone breached the Agreement by failing to pay Behringer the REIT Additional Consideration.

15. All other conditions precedent to Behringer's recovery for Lightstone's breach have been satisfied.

16. As a result of Lightstone's breach of the Agreement, Behringer has suffered actual damages in the amount of \$500,000, plus interest.

VI. ATTORNEYS FEES

17. Behringer repeats and re-alleges each allegation contained in paragraphs 1 through 16 above as if fully set forth herein.

18. Behringer is entitled to recover attorney's fees, costs, and expenses to enforce the Agreement from Lightstone pursuant to Section 7.1 of the Agreement.

VII. PRAYER

WHEREFORE, Behringer respectfully requests that Lightstone be cited to appear and answer herein and, after all due proceedings are had, that Behringer have the following relief:

- a. actual damages;
- b. reasonable attorneys' fees, costs, and expenses;
- c. pre- and post-judgment interest; and
- d. such other relief to Behringer as the Court deems just and equitable.

Dated: September 20, 2018

Respectfully submitted,

/s/ David Lance Currie

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